



Legal Office
P.O. Box 942707
Sacramento, CA 94229-2707
(916) 795-3675, FAX (916) 795-3659

February 16, 2006

AGENDA ITEM 7

TO: MEMBERS OF THE BOARD OF ADMINISTRATION

- I. SUBJECT:** Chief Investment Officer Recruitment – Delegation to Investment Committee and Formation of a Sub-committee
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the attached Delegation of Authority
- IV. ANALYSIS:**

Government Code section 20098 authorizes the Board to appoint a Chief Investment Officer for the system. The Board retains for itself the authority to hire, compensate, and terminate the Chief Investment Officer (with input from the Chief Executive Officer) and has not delegated this authority to the Investment Committee. Of course, the Board may delegate all or a portion of this authority to a committee or sub-committee under Government Code section 20099.

The attached delegation authorizes the Investment Committee to screen and interview candidates for the vacant position of Chief Investment Officer and to recommend finalist candidates for interviews or other consideration by the Board. The delegation also ratifies the formation of a sub-committee -- the Chief Investment Officer Recruitment Subcommittee ("Sub-Committee") to perform the same functions. The delegation does not set forth a recruitment process; instead, it merely allows the Investment Committee and the Sub-Committee to take certain actions on behalf of the Board as part of the recruitment and retention process. The Board will retain its authority to make a final decision on the selection of a new Chief Investment Officer.

V. STRATEGIC PLAN:

This is not a product of either the Strategic or Annual Plans.

Members of the Board of Administration
February 16, 2006

VI. RESULTS/COSTS:

Delegation of authority to the Investment Committee and a sub-committee will enable the Board to be most productive during the short time period in which it has to complete its work.

PETER H. MIXON
General Counsel

